

### SMALL MARKET CELLULAR OPERATORS

**Interest:** Group of 5 cellular carriers serving predominantly RSAs.

**Equal access:**

**Cellular equal access:**

- Oppose cellular equal access because:
  - Customer costs will increase (2-3).
  - Many cellular carriers offer large toll-free calling areas. Calls that are now toll-free would cost an additional 28 cents per minute for customers in Kansas, or 24 cents per minute in North Carolina. One member of the group, Enid Cellular, purchases interexchange services in bulk and passes the cost savings along by offering large intraLATA calling areas. (3-4)
  - The costs of equal access outweigh the benefits. Equal access would require a direct connection to an access tandem for each IXC participating (4). Customer already can access IXCs through access codes (4), and customers would rather have the cost savings of the current approach than the minor dialing convenience resulting from equal access. (4-5).
  - Under its own analysis, the FCC should not impose equal access on cellular carriers because the market is competitive. (5-6).

**SNET MOBILITY, INC.**

**Interest:** Cellular provider.

**Equal access:**

**Cellular equal access:**

- The Commission should take into account the total telecommunications market when evaluating whether cellular providers face competition. (5)
- Factors to be considered include: new consortiums of cellular, PCS, and multimedia providers; reduced entry barriers; convergence of communications technology; and agreements among RBOCs and IXC's intent on joining the wireless market. (11)
- It would not be in the public interest to impose equal access requirements in light of increasing cellular competition. (11-12)
- Equal access requirements are unnecessary because cellular providers will permit access to IXC's if customers demand it. (6)
- The principle of regulatory parity is not adequate justification for imposing unnecessary equal access requirements. (6-7)
- Consumers may not benefit from access to IXC's. Currently, cellular providers are able to get bulk discounts from IXC's. These lower prices are passed along to consumers. In addition, equal access may increase costs because more calls will be subject to toll charges. (7-8)
- Separate toll billing for long distance will create an administrative burden for cellular providers and consumers. (8)
- The Commission's argument that equal access will lead to increased usage and lower prices is faulty. Increased cellular usage is largely a function of lower prices, not equal access. (9)

- Equal access is unnecessary because customers can already access other networks through 800 or 950 access codes. (9)
- The Commission should consider that the benefit of equal access requirements will come at the expense of toll free calling within the cellular provider's service area. (9-10)
- Although Snet supports the goal of regulatory parity, it believes the marketplace should decide what services CMRS providers offer to the public. (10)
- Some of the other costs associated with equal access include costs associated with modifying hardware, consumer education, and lost efficiencies from vertical integration. (10)

**Equal access for other CMRS providers:**

- Supports Commission's conclusion that non-cellular CMRS providers should not be subject to equal access requirements. (5)
  - Equal access requirements should not be imposed on paging and narrowband PCS providers because they require large markets and historically have been priced without toll charges. (12)

**LEC/CMRS interconnection:**

- Supports the present policy which allows LECs to provide interconnection to CMRS providers through contractual negotiations. Minimum interconnection requirements are unnecessary because there are sufficient market incentives. (12-13)

**CMRS/CMRS interconnection:**

- Opposes the imposition of interconnection requirements because they would serve as an entry barrier to new competition. Instead, the Commission should encourage rapid development of the industry and the voluntary adoption of industry standards. (13-14)

**CMRS resale obligations:**

- Resale obligations should be imposed upon CMRS providers to the same extent as such resale

- 122 -

obligations are currently imposed upon cellular providers. (15)

**THE SOUTHERN COMPANY**

**Interest:** SMR licensee in Alabama, Georgia, the Florida panhandle, and southeastern Mississippi.

**Equal access:**

**Equal access for other CMRS providers:** Questions whether benefits of requiring equal access by CMRS providers outweigh the potential costs and burdens, especially for SMR providers. Imposing equal access on existing SMR systems and on pre-engineered but unconstructed SMR systems would disrupt operations and investment. It may not be possible to immediately implement such a requirement. Agrees with FCC that SMR licensees lack market power and experience in the commercial provision of mobile service and cautions requiring equal access until FCC fully understands economic consequences and technical implications of such action. (7-9)

**CMRS/CMRS interconnection:**

- FCC should defer proposing total CMRS-to-CMRS interconnection obligations until the cellular, SMR, and PCS markets are fully deployed. At most, the FCC should consider only service-by-service interconnection obligations. The technical requirements to implement such interconnection are unknown, but the area is technically complex. Wide-area SMR systems are still in developmental stages. How they will operate and compete with other services and the burden interconnection will place on them are unknown. (4-5)
- FCC should consider allocating additional 800 MHz spectrum for SMR control frequencies nationwide when it further reviews licensing of Expanded Mobile Service Providers in PR Docket No. 93-144 so that there would be common control frequencies among all SMR licensees that would allow nationwide roaming between licensees. Without regulations mandating standard roaming agreements, some SMRs could unreasonably refuse to allow other SMR's customers to access their systems. (6-7)

**SOUTHWESTERN BELL CORPORATION**

**Interest:** Regional Bell Operating Company.

**Equal access:**

**Cellular equal access:**

- Against equal access because:
- Cellular systems are not monopolistic "bottlenecks" in that there are two cellular providers in each market, the FCC has mandated the resale of cellular services, and there will soon be vigorous competition from PCS and ESMR providers in each market. (19-24)
- Equal access does not benefit the public because:
  - Individual customers do not have the leverage to gain bargain rates from the IXCs. However, BOC mobile providers could aggregate long distance calls, negotiate favorable rates from the IXCs, and pass these rates on to their customers. (25-29)
  - IXCs refuse to provide technical innovations (such as equal access roaming) to their customers when these innovations do not financially benefit the IXC. (29-31)
- According to survey data, equal access is not a customer priority. (31-34)

**Equal access for other CMRS providers:**

- Southwestern Bell opposes equal access. However if equal access is imposed on cellular providers, it should be imposed evenhandedly on all other CMRS providers. (45-46)
- If equal access is imposed, there should be a sunset provision, non-voice services should be excluded, the local calling scope should be maximized, and equal access obligations should be removed from all CMRS providers as soon as they are removed from the RBOC cellular carriers. (47)

**Implementation:**

- If equal access is in fact mandated, the local calling area should be defined as flexibly and as large as possible because:
  - Customers demand cellular calling areas that are larger than LATAs. (36)
  - PCS providers will have an advantage over LATA-bound cellular providers. (36)
- At present, RBOC-affiliated cellular providers are wasting time and money in seeking waivers of LATA restrictions at a time when they are technologically equipped to meet the customer demand for larger local calling areas. (37-42)
- Because MTAs are based on the flow of commerce, they are the most appropriate local calling area for all CMRS providers. (42-43)
- An alternative to the MTA-based local calling area would be to allow each CMRS provider to design its own local calling area for FCC approval, thereby meeting consumer demand and optimizing technological capabilities. (44-45)
- Because the RBOC cellular divisions (including Southwestern Bell) overcame significant technical obstacles in installing equal access switching, the FCC should not be sympathetic to other CMRS providers who claim that it is not technically possible to provide equal access. (48-49)
- IXC's should be required to choose between direct connection or tandem interconnection with equal access-obligated carriers. (50)
- Because they will be the primary beneficiaries of equal access, the IXC's should bear the financial burden of implementing equal access. (50, 54)
- If some CMRS providers are allowed to use 10XXX equal access instead of 1+ equal access, then all CMRS providers should be allowed to do so. (51)

- Regulatory parity demands that all CMRS providers be subject to the same presubscription and balloting rules to which the RBOC cellular companies and ATT/McCaw are subject. However, CMRS providers should be granted flexibility in verifying changes in customers' IXC of choice. (51-52)
- Proportional allocation is the fairest way to divide up those customers who do not choose an IXC by ballot. (52)
- If rules are promulgated to prevent CMRS providers from steering customers to their own long distance affiliates, such rules need to be uniform. (52-53)
- Customer list disclosure should be voluntary. However, if a CMRS provider volunteers to disclose its customer list to its affiliated IXC, it should have to make the same disclosure to other interested IXCs. (53)

**LEC/CMRS interconnection:**

- Opposes tariffing because of the lack of flexibility and large administrative overhead. (63)
- Favors mutually negotiated LEC/CMRS agreements which are open to public inspection and contain "most favored nation" clauses. (64-65)

**CMRS/CMRS interconnection:**

- Because the market will provide incentives for the provision of roaming service and whatever CMRS/CMRS hardware compatibility is necessary, the FCC should not regulate in these areas. (61-62)
- Opposes mandatory interconnection because CMRS providers do not possess a bottleneck facility, all CMRS providers have access to the LEC network, and the market will provide whatever additional CMRS/CMRS interconnection is necessary. (66 - 68)
- The FCC should preempt any state-mandated CMRS/CMRS interconnection. (68-69)
- All CMRS providers should be subject to the same interconnection obligations. (69 - 70)



- If interconnection is required, CMRS/CMRS agreements should be negotiated, not tariffed. (71-72)
- Because customer databases represent valuable trade secrets, and are not required by IXC's to carry long distance calls, CMRS providers should not be required to reveal the entire contents of those databases to IXC's for the IXC's' billing purposes. (60, 73-74)

**CMRS resale obligations:**

- Because resale obligations aided in promoting competition in the cellular industry, the same resale obligations should be applied to the entire CMRS industry. (54-56)
- The market, not the FCC, should decide which CMRS products are worthy of resale. (56)
- Because unrestricted competitor resale inhibits facilities-based competition, delays the implementation of new technologies, and creates the potential for collusion, CMRS providers should not be required to allow facilities-based competitors to resell their services. (59)

**TELEPHONE AND DATA SYSTEMS, INC.  
AND UNITED STATES CELLULAR CORPORATION**

**Interest:** Providers of LEC and cellular services.

**Equal access:**

**Cellular equal access:**

- Opposes the imposition of equal access requirements on cellular carriers for the following reasons:
  - The FCC has failed to identify an adequate reason for the imposition of equal access. (3)
  - The costs of implementing equal access will be substantial. These costs include purchasing or upgrading equipment, legal fees, and administrative expenses. USCC estimates that its hardware and software costs alone would total \$3,780,000 in the first year of implementation and \$780,000 each year thereafter. (3-7)
  - There are no public benefits that would result from the imposition of equal access. Equal access will not lead to the diminution of monopoly power and the promotion of competition because non-BOC cellular carriers do not have market power. (7-9)
  - Emerging wireless competition for cellular will soon make obsolete any determination concerning competition. (10-11)
  - Defining local service areas poses insoluble problems for imposing equal access, as various CMRS providers have radically different FCC-defined service areas. (11-13)
  - The ability of cellular carriers to contract with IXCs is beneficial to cellular customers. Cellular carriers are able to provide customers with large local calling areas because they negotiate discounts from IXCs. (13-14)

- There is no evidence that equal access will generate additional cellular call volume. (14)
- There is no data to support the claim that equal access enlarges network usage, produces discounted service offerings, or generates new products. (15)
- Regulatory parity should not be a justification for imposing equal access requirements on all CMRS providers simply because some carriers are subject to equal access requirements for historical or other reasons. (16)
- Equal access is unnecessary to promote improved access to interexchange networks since competition will make available the features offered by interexchange networks should they become an important aspect of wireless communication. (16-17)

**Equal access for other CMRS providers:**

- Opposes the imposition of equal access requirements on SMR, paging, and narrow- and broadband PCS carriers for the following reasons:
  - There is no need to impose equal access requirements on paging systems, which provide only one-way service and do not involve customer access to an IXC. (20)
  - Narrowband PCS systems will have applications similar to paging systems and should be treated similarly. (20)
  - The FCC does not now fully understand the economic consequences of imposing equal access obligations on PCS, SMR, and paging licensees. (20)

**Implementation:**

- Should the FCC decide to impose equal access requirements, the FCC should adopt the following safeguards:
  - The FCC should exempt from equal access requirements carriers in service areas where

LECs do not have the necessary facilities to implement 1+ equal access. In the alternative, 10XXX codes should be sufficient if a carrier has Type 1 interconnection. (17)

- Interconnection should be provided only after a bona fide request by an IXC to a carrier. Further, IXCs should pay conversion costs. (18)
- Some form of presubscription, balloting, and allocation will be necessary. (18)
- Carriers should not be required to share customer lists with unaffiliated interexchange carriers who may be wireless competitors. (18-19)

### TRIAD CELLULAR

**Interest:** Cellular carrier.

**Equal access:**

**Cellular equal access:**

- The Commission should reevaluate its recommendation to impose equal access on non-BOC cellular providers. (1)
- There is no legal or public policy justifications for extending the equal access obligations to non-BOC operators. These obligations were imposed on the BOCs due to their control of "bottleneck" facilities. There is no purpose to extending rules designed to combat monopolistic practices to a sector that does not hold a monopoly. (2-3)
- The introduction of new services that compete with cellular services, such as broadband PCS and wide-area SMR, will ensure that consumers have increased choice even without equal access requirements. (4)
- The benefits sought by the Commission can be achieved through the natural development of a competitive market. (5)
- The imposition of equal access requirements would create substantial costs for cellular licensees, which would injure small and rural carriers. Those carriers that were not forced out of business would have to pass their costs on to consumers. (6-7)
- Some licensees, such as Triad, are facing five year fill-in deadlines, which will entail large commitments of resources. (7)
- Cellular carriers can secure better prices from IXCs because they can negotiate bulk service deals. Equal access regulations would prohibit such arrangements. (8)
- If service providers are required to disaggregate long distance calls within their wide area plans, consumers will end up paying additional charges. (8)

- Reconfiguring cellular service areas may raise prices for rural consumers by turning local calls into long distance calls. (8)

**Equal access for other CMRS providers:**

- If equal access obligations are imposed on non-BOC cellular licensees, then the same requirements should be applied to broadband PCS and wide-area SMRs in order to maintain regulatory parity among functionally equivalent services. (9)

**Implementation:**

- If the Commission does adopt equal access obligations, it should create an exemption for rural cellular providers. Implementation of the equal access obligations would be difficult or impossible for many rural carriers. (9)
- If the Commission does impose equal access obligations on rural carriers, these rules should be phased in gradually. Longer phase-in periods are necessary because these licensees lack the resources to complete modifications at one time. (9)

**TRW INC.**

**Interest:** Communications company which has applied to the FCC for permission to provide mobile satellite service (MSS). (1)

**Equal Access:**

**Cellular equal access:**

- Favors equal access for all cellular and other similar, terrestrial providers because consumers benefit from a choice of IXC's, and regulatory parity demands that both BOC and non-BOC cellular providers be regulated in the same manner. (3)

**Equal access for other CMRS providers:**

- To ensure regulatory parity, equal access should be mandated for any CMRS (including broadband PCS) that provides services similar to, and competes directly with, cellular providers. (3-4)
- Because the technical constraints under which MSS will operate remain uncertain, the FCC should delay mandating MSS equal access until MSS is fully operational. (4)

**CMRS/CMRS interconnection:**

- In order to encourage the development of a nationwide, seamless, wireless communications network which is independent of the LECs, and can compete with the extant landlines network, CMRS/CMRS interconnection should be mandated. (5-6)
- Interconnection should be mandated as soon as possible so as to force the development of a CMRS network which is independent of the LECs from its inception. (6-7)
- Because of its unique technological aspects and uncertain future uses, at the present time MSS should be exempted from any interconnection requirement. (7-8)

**UNION TELEPHONE COMPANY**

**Interest:** Cellular service provider.

**Equal access:**

**Cellular equal access:**

- The extension of equal access obligations to non-BOC cellular providers is inappropriate. The circumstances that precipitated the imposition of equal access on the BOCs do not apply to small and medium cellular companies as these companies lack market power. (2)
- Due to the number of cellular carriers that provide service, there is no reason to impose equal access on cellular carriers. There will be even more competition as the Commission opens the market to other wireless carriers. (2)
- There are many cellular providers that do not have the financial resources to implement the equal access obligations. (3)
- Union Cellular has constructed a significant plant based on the existing regulatory scheme. Any action which discourages Union from the continued construction of its plant would disadvantage its customers. (3)
- There have not been any customer requests for equal access for cellular customers. (3)



### VANGUARD CELLULAR SYSTEMS

**Interest:** Non-wireline cellular carrier.

**Equal access:**

**Cellular equal access:**

- Opposes equal access because:
- There is no historical, legal, or public policy basis for imposing equal access requirements on independent cellular carriers. (3)
- The imposition of equal access on BOC cellular affiliates was grounded in concern over extension of landline market power, not because of any market power possessed by cellular carriers. (4)
- The FCC has acknowledged that cellular carriers compete on the basis of market share, technology, service offerings, and price. These findings do not support the extreme regulatory intervention now proposed. (6)
- Emerging competition from new CMRS providers must be taken into account, and once the full extent of existing and new competition is considered, equal access cannot be justified. (7)
- If presubscription is desired, and the evidence is that it is not, CMRS providers will offer it. (8)
- Requiring equal access at LATA boundaries would frustrate consumer desires for expanded geographic calling scopes. (10)
- Equal access would increase costs and harm consumers. Costs of modifying software, upgrading switches and interconnection, and implementation and administration of presubscription will run into hundreds of thousands or millions of dollars for each provider. (10-11)
- Cellular carrier currently can negotiate bulk long distance discounts and integrate

vertically to offer innovative service packages; equal access would sacrifice these efficiencies. (11-12)

- Equal access will cause inefficient rerouting (12) and preclude the benefits of wide-area calling plans. (12-14)
- Consequently, equal access will not lower prices to consumer, but transfer revenue from cellular carriers to IXC's. (14)
- The diversion of capital required by equal access will slow investment in and expansion of cellular systems. (15)
- The benefits of equal access are illusory. Equal access will raise prices to consumers, and competition will satisfy any demand for a choice of IXC's. (16)
- It will reduce access to networks because of higher prices and break-up of wide area systems. (16-17)
- IXC's already can offer combined discounts for residential, wireline and cellular usage. (17)
- Regulatory parity cannot justify equal access. Independent cellular carriers are just as similar to non-equal access PCS providers as they are to equal access BOC cellular affiliates. (17)

**Implementation:**

- If equal access obligations are imposed, they must be phased in over at least three years from the time a bona fide request is received. (18)
- The Commission should adopt MTA or larger boundaries for determining the hand-off point. (20)

**LEC/CMRS interconnection:**

- The Commission should not require tariffing of interconnection. LECs and cellular carriers have significant experience negotiating interconnection agreements, and this process results in lower rate

levels than tariffing would have produced. Interconnection agreements, as opposed to tariffs, recognize the co-carrier status of cellular providers and they are more flexible than tariffs. (21)

**CMRS/CMRS interconnection:**

- The Commission should at least in the short term rely on the marketplace. (22)
- Once CMRS/LEC interconnection is established, LEC interconnection will provide CMRS carriers with access to a variety of networks. (22)

**WATERWAY COMMUNICATIONS SYSTEM, INC.**

**Interest:** Licensee of an automated maritime telecommunications system (AMTS).

**Equal access:**

**Equal access for other CMRS providers:**

- Opposes the imposition of equal access requirements on AMTS providers for the following reasons:
  - WATERCOM's users may currently access the IXC of their choice. From vessels, users control IXC routing through the 1-800 network. (4)
  - WATERCOM does not recall a single subscriber request for IXC routing capability since the initiation of service about seven years ago. This may result from the fact that radiolink is the dominant cost factor in ship-to-shore communication. (4-5)
  - AMTS providers do not possess market power. Competition in the industry exists and will intensify as new satellite carriers and services emerge in the near future. (5)
  - There are technical limitations in imposing equal access upon AMTS providers due to the unique nature of AMTS service. (6)
  - The imposition of a 10XXX or 1+-dialing scheme on CMRS providers would create technical problems of compensation. (6-7)
  - The costs of converting to the 10XXX protocol would be excessive for WATERCOM, and would far exceed even those costs. (7-8)
- Agrees with the FCC that costs, demand, and technical limitations must be considered with respect to each class of CMRS provider. (5)

**LEC/CMRS interconnection:**

- Tariffing requirements are unnecessary since most LECs offer interconnection under tariff. (8)
- Filing interconnection contracts would be a burden on the FCC. Moreover, in the past it was virtually impossible to obtain access to contracts when they were required to be filed with the FCC. (8-9)
- A "most favored nation" clause proposal is virtually impossible to police unless contracts are required to be filed and are made available. (9)

**CMRS/CMRS interconnection:**

- Opposes the imposition of CMRS-to-CMRS interconnection requirements on AMTS providers. The FCC has previously rejected the notion of direct connection among competing AMTS providers. Further, there are no apparent benefits from or practical use for CMRS-to-CMRS interconnection. (9)

**WESTERN WIRELESS CORPORATION**

**Interest:** Consortium of independent cellular providers.

**Equal Access**

**Cellular equal access:**

- There are no public policy reasons for imposing equal access upon cellular carriers. (2)
- The mobile services environment is fundamentally different from the time prior to the AT&T divestiture. (2)
- Non-BOC affiliated cellular providers neither control nor are affiliated with entities that control bottleneck facilities. These smaller entities have neither the market power nor the financial dominance which would require equal access obligations. (2-3)
- There is little demand by cellular customers for equal access to the interexchange carrier of choice. Moreover, an alternative IXC is available by dialing different calling codes. (3)
- Forcing only cellular licensees to provide equal access will put cellular carriers at a disadvantage. Conversely, allowing all CMRS providers to offer their own package of services will provide consumers with broad options, while avoiding increased costs. (4)
- The obligation to provide equal access would increase costs for both cellular carriers and consumers. (5-6)

**Equal access for other CMRS providers:**

- If the Commission does impose equal access requirements on cellular carriers, it should impose the same requirements on wide-area SMR licensees, broadband PCS licensees, and any other CMRS providers accessing the public switched network and local loop. (4-5)

**Implementation:**

- If the Commission does mandate equal access, it should implement the following policies:
  - Gradual conversion for non-BOC cellular carriers and other CMRS providers (3-5 years). (6)
  - Equal access should be provided only upon a bona fide request from an IXC. (6)
  - New services should be obligated to provide equal access sooner because it is easier and cheaper to implement initial deployment than in the case of existing systems. (6)
  - Local service areas should be defined according to the regional, contiguous market areas licensed to each carrier. (6)
  - Cellular and other CMRS providers should be entitled to recover the costs of conversion through charges to the IXC. (7)

**LEC/CMRS interconnection:**

- Interconnection agreements should be implemented according to individually negotiated contracts. The LECs should be required to pay equivalent rates for interconnection with CMRS providers. (7)
- Individually arranged interconnection agreements allow for maximum flexibility and favorable rates. Tariff requirements would lead to increased costs for both LECs and cellular operators. (7)

**WILTEL, INC.**

**Interest:** Long distance carrier.

**Equal access:**

**Cellular equal access:**

- Of equal access, interconnection, and resale, equal access promises the greatest public benefits. (2)
- Equal access is essential to the Commission's goals of (a) fostering merit-based competition, (b) promoting infrastructure development, and (c) enabling access to the information superhighway. (3)
- Although equal access requirements first developed from the AT&T antitrust consent decree, they remain a vital regulatory element for fostering the rapid development of telecommunications. (4)
- The basic elements of equal connection are non-discriminatory interconnection, non-discriminatory carriage, and non-discriminatory choice of carriers. (4-5)
- The cellular market is currently noncompetitive. Cellular duopolies have market power. Potential cellular competitors, such as PCS, have yet to be introduced on a significant scale. (5-6)
- Local carriers remain monopolists with respect to facilities between the IXC's and end users, and may therefore engage in anticompetitive behavior. In addition, to the extent that local access does develop as an independent sellers market, it will be dominated on the buying side by AT&T. (7-8)
- If equal access is not implemented, CMRS end users will be denied the benefits of the competitive interexchange market. Unregulated CMRS providers will discriminate in favor of IXCs with which they are affiliated. (8-9)



- The public benefits of equal access far outweigh the costs. (9)
- The BOCs and AT&T/McCaw will already be subject to equal access requirements. Therefore, the cost of implementing equal access for these carriers should not be considered. (10-11)
- Setting equal access standards now will diminish the cost of implementation in the future. (11)
- The cost of equal access will be built into the market. (11)
- The higher costs of equal access implementation for operational CMRS providers can be brought into parity through a uniform implementation period. (12)
- Access sold to IXC's must be equal in quality, type and price. The Commission should therefore require CMRS providers to designate at least one point of interconnection for all interexchange carriers in each equal access region. (12)
- A CMRS provider should not be able to require more than one point of interconnection in order for an IXC to obtain equal access to a CMRS provider's network. (12)
- End users should be able to select their own IXC. Presubscription and balloting procedures should be put in place. (13)
- There should be dialing parity and it should be based on the current "1+" access arrangement. (13)